

## **Corporate entrepreneurship and entrepreneurial behavior of employees: a theoretical model of bottom-up relationships**

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### **ABSTRACT**

The phenomenon of entrepreneurship developed inside companies has received increasing interest from researchers as it is linked to positive organizational outcomes. This phenomenon has been traditionally analyzed as a series of top-down activities initiated by the organization, and defined as corporate entrepreneurship (CE). Yet, entrepreneurship can occur at every level within organizations and, thus, the entrepreneurial behavior of employees (EBE) comes to the fore as a driver of CE. In order to reconcile the still-fragmented field of research on entrepreneurship within organizations, this paper proposes a theoretical model that explains how CE can be developed from EBE, based on a review of past theoretical and empirical research. After reviewing the two central concepts of this research (CE as a variable at the organizational level, and EBE at the individual level), we draw on the Theory of Planned Behavior and the Job Demands-Resource model to analyze the individual intentions) and consequences of EBE (in terms of the level of employees' well-being). Moreover, we consider the Corporate Entrepreneurship Assessment Instrument (CEAI) as a framework to analyze the internal work environment as a moderating variable in the relationship between EBE and CE. Taking into account the Stakeholders theory we also investigate the role that the relations with stakeholders may have in CE and EBE. Finally, we examine the assumed influence of CE on organizational performance and incorporate employee retention as another potential consequence. The research attempts to establish a theoretical framework to understand entrepreneurship within established organizations as a bottom-up phenomenon.

**KEY WORDS:** Entrepreneurial Behavior, Corporate Entrepreneurship, Intentions, Job Satisfaction, Anxiety.

### **INTRODUCTION**

Corporate entrepreneurship (CE), or firm-level entrepreneurship, has developed as a subfield in entrepreneurship research (Sharma and Chrisman, 1999; Kuratko, 2017) which explores how entrepreneurship can occur inside organizations. This phenomenon has received growing interest from researchers over the past 50 years and is considered crucial for organizational revitalization (Guth and Ginsberg, 1990) and as a way to improve financial performance, measured by both profitability and growth indicators (Zahra and Covin, 1995; Antoncic and Hisrich, 2001; Gerasymenko et al., 2015). In an attempt to understand what drives CE, past and current research has identified an array of internal and external

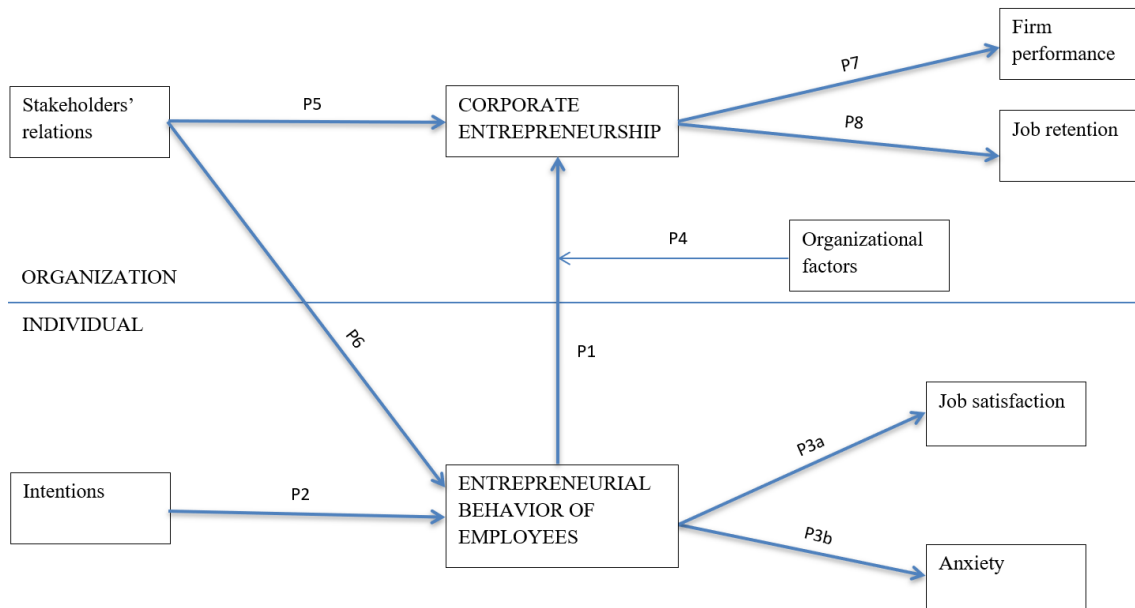
influencing mechanisms. However, the determining factors of CE from a behavioral perspective, the moderating variables involved, and their effects on other non-financial outcomes should be studied in greater depth (e.g., Dess et al., 2003; Rigtering and Weitzel, 2013; Neessen et al., 2019).

Particularly, in recent years attention has shifted to the entrepreneurial activities that are pursued bottom-up by employees within an organization and how to develop the entrepreneurial behavior of employees (EBE), understood as the extent to which employees carry out tasks at work in a proactive way, taking risks, and exploiting opportunities to innovate (de Jong et al., 2015; Badoiu et al., 2020). Employees with entrepreneurial behavior bring about changes in organizations, and are considered to be key innovation drivers (Grant and Ashford, 2008). Nevertheless, compared to research on the individual and organizational factors that drive CE, research that examines the entrepreneurial behavior of employees remains disparate and scarce, as is the case of research that examines why some individuals pursue entrepreneurial activities while others do not, despite being exposed to the same objective organizational context (Stull, 2005). These organizational factors may not fully explain the decision of employees to behave entrepreneurially, and thus employees' entrepreneurial intentions should also be taken into account in the understanding of EBE (Neessen et al., 2019). Moreover, as the HRM literature presents a stream of studies calling for more research on employee well-being related variables (Guest, 2017), the potential consequences of EBE on employees' well-being is a prominent area of interest. Due to the scattered nature of the literature, there is a need to define an integrative framework that provides an overview of EBE and how CE is facilitated. In addition, the research agenda of Bosse et al. (2018) suggests that stakeholder relations are also of critical importance both for companies and for undertaking new initiatives within existing companies. However, there is very little research at the intersection between entrepreneurship and Stakeholders theory.

This study aims to address the existing gaps and advance the discussion and research on CE and EBE by proposing a theoretical model that studies the antecedents of EBE and its consequences for employees' well-being, as well as the bottom-up impact on CE. For this purpose, first, we review the two central concepts of our research: CE, as a variable at the organizational level, and EBE, as a variable at the individual level. Second, we analyze EBE as one of the key antecedents of CE (the creation of new products, services and/or companies, innovation and strategic renewal) and perform an in-depth analysis of how these entrepreneurial behaviors are formed and also their outcomes. Third, we consider the organizational context (management support, work discretion, rewards/reinforcement, resources/time availability, organizational boundaries) as a moderating variable in the relationship between entrepreneurial behavior of employees and corporate entrepreneurship. Fourth, we focus on how the relations with the stakeholders (employees, customers, suppliers, and partners) may affect both CE and EBE. Finally, regarding the outcomes of CE, we pay attention not only to the financial results (organizational performance), but also to retaining the employees in the company.

This paper presents a theoretical model (Fig. 1) that provides a deeper understanding and new insights into CE and EBE based on a review of past theoretical and empirical research. Further empirical analysis of this model will make it possible to provide future recommendations and useful practical implications for companies.

FIGURE 1. *Theoretical model of corporate entrepreneurship and entrepreneurial behavior of employees*



## CONCEPTUAL FRAMEWORK

### Corporate entrepreneurship

Corporate entrepreneurship has been increasingly recognized as an important element for organizational development. In the early 1980s, researchers stressed the importance of entrepreneurship within existing organizations and its role in organizational renewal, innovation, and new business creation (Pinchot, 1985; Antoncic and Hisrich, 2001). Thus, it became a topic of interest due to the impact it can have on the revitalization and performance of an organization (Kuratko et al., 1990).

The phenomenon of entrepreneurship developed within companies has received several names over the years, such as corporate entrepreneurship (Burgelman, 1983; Guth and Ginsberg, 1990; Zahra, 1996), internal entrepreneurship (Pinchot, 1985; Antoncic and Hisrich, 2001), corporate venturing (Ellis and Taylor, 1987; Miles and Covin, 2002), internal corporate entrepreneurship (Jones and Butler, 1992), and firm level entrepreneurship (Zahra et al., 1999). The initial terminological and conceptual confusion was logical, as it addressed a new phenomenon that was given different names. Therefore, we observe how, on the one hand, reference is made to different concepts with the same name and, on the other, different names express the same phenomenon. In this sense, Sharma and Chrisman (1999) proposed a reconciliation of the problems of definition in the field of CE to resolve this initial confusion. In addition, subsequent works have also tried to clarify the concept of CE (Maes, 2003; Corbett et al., 2013; Sakhdari, 2016; Kuratko, 2017). Broadly, CE is defined, according to Antoncic and Hisrich (2001: 479), as "entrepreneurship within an existing organization", this being one of the most used definitions in the literature. Other authors define CE in terms of its dimensions (Covin and Slevin, 1991; Fayolle et al., 2010): new business (corporate venturing), new product, new service and innovative process, self-renewal and proactivity (Zahra, 1993; Covin and Miles, 1999). However, in the literature, there is also no consensus

on the dimensions of CE (Farrukh et al., 2017). Sharma and Chrisman (1999) explained three dimensions: corporate venturing (creation of new companies), innovation (introduction of something new in the market, the transformation of the organization and the competitive environment), and strategic renewal (change in strategy and way of competing).

Kuratko and Audretsch (2013) ventured to put light on the domains of CE research and focused on corporate entrepreneurship and strategic entrepreneurship. In addition, Kuratko (2017) has considered the construct of entrepreneurial orientation as a subset of strategic entrepreneurship. Regardless of the term being used, the accumulation of knowledge that constitutes the theoretical basis on which corporate entrepreneurship is grounded is growing rapidly (Kuratko and Audretsch, 2013). In the model proposed here, we consider CE to be a label that captures entrepreneurship within an established organization (e.g., Arz et al., 2017; Mustafa et al., 2018). Following Corbett et al. (2013), CE can be seen as the activities that seek to renew established organizations, following different innovation-based initiatives, which will sustain their competitiveness. In addition, we follow the proposal by other authors (e.g., Zahra, 1996; Sharma and Chrisman, 1999; Burgers and Covin, 2016) who describe three dimensions that capture the activities that define CE: corporate venturing (the creation of new businesses within a firm), innovation (new products, services), and strategic renewal (new strategies).

Some other studies investigate the antecedents of CE (Guth and Ginsberg, 1990; Antoncic and Hisrich, 2001). The most studied antecedents focus on the factors in the external environment of the company, such as politics, munificence and change or competitiveness (Covin and Slevin, 1991; Dess et al., 1997), and internal factors of the organizational environment such as management support, work autonomy, rewards, time availability, and organizational limits (Hornsby et al., 2002), which have been recognized as crucial organizational elements that affect corporate entrepreneurship. Other theoretical models such as those of Zahra et al. (2009) or Morris et al. (2011) follow similar approaches when grouping the conditioning factors of CE by adding the individual level to the two levels of analysis mentioned above. Among those antecedents, recently some literature on intrapreneurship (e.g., Neessen et al., 2019) highlights the bottom-up nature of the construct, the importance of EBE, and the need for further studies (Neessen et al., 2019) to shape entrepreneurship inside organizations (i.e., CE) in order to face the changing environmental conditions.

### **Entrepreneurial behavior of employees**

The entrepreneurial behavior of employees (EBE) is a set of activities and practices through which employees generate and use autonomous combinations of innovative resources to identify and seek opportunities (Mair, 2002). Recently, Gawke et al. (2018) defined this concept as the anticipatory behavior of an employee who is dedicated to creating new business for the organization and improving its ability to react to internal and market changes.

Some authors (e.g., de Jong et al., 2015) refer to this type of behavior as intrapreneurial behavior. The term "intrapreneur" refers to an employee who combines ideas and uses existing resources in the organization to promote new innovative projects (Pinchot, 1985). Therefore, intrapreneurial behavior, or EBE, is defined by three aspects (Rauch et al., 2009; Rigtering and Weitzel, 2013): innovation (propensity to experiment and willingness to create new and useful ideas, processes, products, or procedures that differ from established practices), proactivity (pursuing opportunities, initiative, and future-oriented action that involves change and improvement of the situation or oneself and attempts to lead rather

than follow), and risk taking (tolerance of failure, the employees' preferences to take actions that can produce positive consequences but also losses if the employee is not successful).

Employees who exhibit entrepreneurial behaviors bring about changes, and organizations consider proactive employees to be innovation drivers (Grant and Ashford, 2008). Accordingly, Hornsby et al. (1993) highlighted the relevance of firms' recognizing these behaviors among their employees and matching them with the particular entrepreneurial needs of the organization. Moriano et al. (2009) suggested that employees with entrepreneurial behaviors allow the organization to renew itself from within. Therefore, when employees are entrepreneurs, this leads to the achievement of entrepreneurial results at the organizational level, such as the creation of new products or strategic renewal (Neessen et al., 2019). Rigtering and Weitzel (2013) also concluded that employees with an innovative and proactive behavior are more likely to be involved in strategic and intrapreneurial projects, which can contribute to CE. In a similar line, Mustafa et al. (2018) stated that the individual entrepreneurial behavior of employees represents one of the main antecedents of CE. However, the relationship between EBE and CE needs more attention, and so the following proposition is formulated:

*Proposition 1.* There is a positive relationship between the entrepreneurial behavior of employees and corporate entrepreneurship.

### **Intentions of entrepreneurial employees**

Compared to the number of studies conducted on the factors that drive CE, research that examines employee entrepreneurial behaviors is scarce (Lau et al., 2012). Recent studies on the antecedents of EBE refer to organizational identification (Moriano et al., 2011), job characteristics (de Jong et al., 2015), work context (Rigtering and Weitzel, 2013), authentic leadership (Valsania et al., 2016), transformational leadership (Moriano et al., 2014) or the characteristics of employees and the role of managers (Razavi and Aziz, 2017).

As adopting an entrepreneurial behavior is a personal decision (Kuratko et al., 2005), in addition to contextual variables, entrepreneurial employees are also influenced by a variety of personal factors. However, research on the relationship between behaviors, attitudes, and characteristics of EBE is scarce (Neessen et al., 2019). Therefore, since entrepreneurial behavior is intentional, many researchers conclude that it can be predicted by the intention to be entrepreneurial (Krueger and Carsrud, 1993).

Following the theory of planned behavior (Ajzen, 1991; 2001), human behavior is guided by three types of considerations: beliefs about possible consequences or other attributes of behavior (behavioral beliefs), beliefs about the normative expectations of other people (normative beliefs), and beliefs about the presence of factors that can increase or hinder behavior performance (control beliefs). Behavioral beliefs can produce a favorable or unfavorable attitude toward behavior; normative beliefs result in perceived social pressure or subjective norm; and control beliefs give rise to perceived behavioral control, the perceived ease or difficulty with which the behavior can be performed. Thus, intention is the attitude formed toward behavior, the subjective norm, and the perception of behavioral control. According to this theory, intention is supposed to be the antecedent of behavior. Accordingly, Solesvik (2013) pointed out that intentions are strong motivators of subsequent behaviors. According to Botha and Nyanyom (2011), the intention includes identifying the knowledge, beliefs, and attitudes of a person as a potential entrepreneur or intrapreneur, the ability to be innovative and succeed in innovations. Thus, for a deeper understanding of

entrepreneurial behavior of employees, it is necessary to investigate how intentions influence EBE. Taking into account such premises, the following proposal is put forward:

*Proposition 2.* There is a positive relationship between employee intentions and the entrepreneurial behavior of employees.

### **Consequences of entrepreneurial behavior of employees on well-being**

Most of the studies carried out on the consequences of EBE analyze variables related to the positive impact it has on the overall performance of the company (Bierwerth et al., 2015). The effect of EBE on the employees themselves has received little attention and it is necessary to investigate its consequences at the individual level (Gawke et al., 2018). This approach expands the existing works that study the impact of EBE on the financial results of the company by incorporating the well-being of employees, and thus adding the psychological component.

To investigate how EBE influences employees' well-being, following the work of Gawke et al. (2018), we rely on the Job Demands-Resources (JD-R) model (Bakker and Demerouti, 2014, 2017). According to this model, well-being and work performance are explained in two independent ways: the motivational process and the health impairment process. On the one hand, the motivation process refers to labor resources that encourage employees to meet their labor objectives (Boyd et al., 2011). These resources can be peer support, feedback on performance or coaching, which lead to greater job satisfaction and, consequently, to higher performance (Bakker, 2011). On the other hand, the health impairment process begins with high work demands, which can deplete the energy of employees and cause fatigue and health problems, such as anxiety. However, there is currently little research that draws on the JD-R model to explain how behaviors in the workplace can affect well-being at work (van Wingerden et al., 2017). The present study focuses on the analysis of job satisfaction as a criterion of the motivation process and anxiety as a criterion of the health impairment process. These performance indicators are particularly relevant to explain the level of well-being at the individual level.

#### *Job satisfaction*

Job satisfaction is a variable studied in research on organizational behavior (Martin and Roodt, 2008). It refers to the pleasant emotional state that results from the appraisal of one's job as achieving or facilitating the achievement of one's job values (Locke, 1969), and this suggests that we form attitudes toward our jobs taking into account our feelings, our beliefs, and our behaviors (Kumari and Pandey, 2011). Briefly, job satisfaction is the extent to which employees like (satisfaction) or dislike (dissatisfaction) their jobs (Spector, 1997).

Job satisfaction is a widely analyzed variable in the literature (Kumari and Pandey, 2011). Entrepreneurial employees are motivated by the interest, enjoyment, and sense of accomplishment they get from their work (Smith et al., 2016), which can increase their job satisfaction. In addition, Rutherford and Holt (2007) concluded that job satisfaction is a mediating variable between entrepreneurship within the company and organizational performance.

### *The anxiety*

We include anxiety in our model as a negative indicator of employee well-being. Considering the JD-R model on health deterioration (Bakker and Demerouti, 2014, 2017), EBE may be related to more anxiety at work because the entrepreneurial behaviors of employees require additional energy, time, and resources (Gawke et al., 2018). For example, entrepreneurial employees arrive early at work or stay longer than their peers in order to meet the requirements of the job and the additional challenges of entrepreneurship (Birkinshaw, 1997; Gawke et al., 2018). Therefore, employees may experience a greater sense of time pressure, anxiety and worry at work (Schaufeli and Bakker, 2004; Gawke et al., 2018). Taking into consideration the arguments above, we propose:

*Proposition 3a:* There is a positive relationship between the entrepreneurial behavior of employees and job satisfaction.

*Proposition 3b:* There is a positive relationship between the entrepreneurial behavior of employees and anxiety.

### **The role of the organizational context**

EBE is not a stable feature of the individual, but includes a situational component, determined by organizational variables and the job position (Rigtering and Weitzel, 2013; Moriano et al., 2014). Some authors (e.g., Hornsby et al., 2002; Kuratko et al., 2014) also highlight the need to analyze the organizational context in the development of entrepreneurial activities within firms. In line with these authors, the Corporate Entrepreneurship Assessment Instrument (CEAI) provides a means to assess, evaluate and manage the firm's internal work environment in ways that facilitate CE (Kuratko et al., 2014). The CEAI includes five dimensions that help promote CE: top management support, work discretion, rewards and reinforcement, time availability, and organizational boundaries.

(1) Management support refers to the degree to which employees are encouraged, assisted and endorsed by top-level management, which includes defending innovative ideas and ensuring that the resources needed by employees to undertake entrepreneurial actions are made available.

(2) Work discretion encompasses the extent to which the organization tolerates failure, allows for a certain amount of scope in decision-making while also ensuring supervision at a reasonable level, and entrusts lower level managers and workers with greater authority and responsibility. In this regard, Hornsby et al. (2002) stated that entrepreneurial outcomes are achieved when employees have freedom, enjoy some level of responsibility, and failure is not excessively penalized.

(3) Rewards and reinforcement comprise the extent to which the organization implements schemes to offer its workers rewards in recognition of entrepreneurial undertakings and success. There is evidence to show that the characteristics of varying reward systems could influence individuals' conceptualization of benefits (Carragher et al., 2003), encourage them to take risks and innovate, and also have a powerful influence on their tendencies to behave in entrepreneurial ways.

(4) Time availability refers to individuals and groups being given extra time to work on innovations. This is achieved by organizing their workload in such a way as to allow them

time they can devote to such endeavors with the aim of reaching short- and long-term organizational goals. Allowing corporate innovators a certain amount of time that is not previously scheduled for the work at hand enables them to seize opportunities for innovation that they may not have time to consider during the schedule stipulated for their regular work activity. Hornsby et al. (2002) noted that individuals need time to foster new and innovative ideas. However, employees' workload needs to be arranged in such a way as to allow them enough time to work on long-term problem solving (Sebora et al., 2010).

(5) Organizational boundaries refer to the development of processes that reduce uncertainty in the performance of tasks so that employees can perceive that processes do not prevent the development of new ideas. According to Kuratko et al. (2014), these boundaries can be achieved by providing explanations of outcomes expected from organizational work and by developing mechanisms for evaluating, selecting and using innovations. Thus, innovative results emerge in a more predictable way when innovation is considered a structured process.

The interactionist perspective (Woodman et al., 1993; Oldham and Cummings, 1996) points out that the basis for understanding the influence of employee behaviors in the organization is the interaction between the personal factors of the employees and the organizational context. In this sense, the interactive model of CE (Hornsby et al., 1993) is based on the combination of individual and contextual factors of companies as antecedents of their entrepreneurial activity. In this vein, Neessen et al. (2019) suggested that the organization can provide resources and knowledge and, therefore, help the intrapreneur by giving recognition and permission to behave in an entrepreneurial way, but the organization can also inhibit entrepreneurial actions, which makes it more difficult for the entrepreneurial employee to act. That is, the organizational context can be an inhibitor or a facilitator of the entrepreneurial behavior of employees. Ireland et al. (2009) stated that an organization must have the necessary elements that encourage and support entrepreneurial behavior, that is, recognizing and exploiting entrepreneurship opportunities, since without this support, entrepreneurial activities will not happen regardless of the entrepreneurial intensity of employees. Therefore, the organizational context can moderate the relationship between EBE and CE. In addition, there is a lack of multilevel research that addresses the organizational level factors that influence the entrepreneurial behavior of employees (Neessen et al., 2019). Considering the above, we propose that:

*Proposition 4.* The organizational context creates an environment that moderates the relationship between the entrepreneurial behavior of employees and the level of corporate entrepreneurship.

### **Stakeholders relationships**

Edward Freeman first introduced the concept of stakeholder in 1984, defining it as “any group or individual that may affect or be affected by the achievement of the purposes of a corporation. Stakeholders include employees, customers, suppliers, shareholders, banks, environmentalists, government or other groups that can help or harm the corporation” (Freeman, 1984: 46). Mitchell et al. (1997) suggested that stakeholders must have one or more of the following three attributes: influence, legitimacy in relation to the organization, and urgency to meet their demands.

The theory of stakeholders suggests that the nature of the stakeholders of an organization, their values, their relative influence on decisions and the nature of the situation are relevant information to predict organizational behavior and results (Frooman, 1999; Barnett, 2007).



Research in this field has indicated that an orientation toward people and a focus on all stakeholders can be a source of opportunities in the field of entrepreneurship (Mitchell and Cohen, 2006; Vandekerckhove and Dentchev, 2005), given that maintaining relationships with multiple stakeholders allows the organization to acknowledge its needs and expectations and to promote proactive and entrepreneurial behaviors. Entrepreneurship implies cooperative efforts in which various stakeholders and resources meet to develop a product or service (Shane and Venkataraman, 2000; Venkataraman, 2002). In this sense, studies in entrepreneurship have emerged on topics such as business incubators (Alsos et al., 2011) and the engagement of stakeholders.

Organizations aimed at satisfying the stakeholders' interests will pay attention to a broad group of stakeholders (i.e., employees, customers, communities in which they operate, suppliers, and partners) and indeed much of the work in the field of entrepreneurship focuses directly on customers and partners (Bosse et al., 2018).

Although stakeholder management is of vital importance both for start-up companies and for new business initiatives within existing companies, very little research has been conducted at the intersection of entrepreneurship theory and stakeholders. The research agenda of Bosse et al. (2018) recommended conducting this type of research, and some other scholars also suggest this need. Kuratko et al. (2007) proposed that it would be interesting to think about the stakeholders in the first days of the company's life, if organizations want to successfully implement entrepreneurial initiatives. According to Tipuric et al. (2013), stakeholder participation in decision-making processes and a pro-stakeholder culture are associated with high levels of CE. In addition, these authors emphasize that stakeholders should be used as a source of entrepreneurship given their contribution to CE. Therefore, we consider the following proposal:

*Proposition 5.* There is a positive relationship between relationships with stakeholders and corporate entrepreneurship.

Moreover, employees frequently interact with other stakeholders or groups outside the organization, which can be a relevant source of information, inspiration or innovation resources (de Jong and de Hartog, 2010). The literature suggests that allowing employees to obtain external knowledge from various stakeholders helps to internalize this knowledge throughout the organization (Whelan et al., 2010). Companies gain external knowledge from a variety of stakeholders (such as suppliers, customers) (Chesbrough and Bogers, 2014) that may be relevant when developing entrepreneurial behaviors by employees. From the above it follows that:

*Proposition 6.* There is a positive relationship between relationships with stakeholders and the entrepreneurial behavior of employees.

### **The consequences of corporate entrepreneurship on organizational performance and employee retention**

The relationship between CE and organizational performance has become an important field of research. Empirical studies support the links between corporate entrepreneurship and organizational performance (Covin and Slevin, 1991; Zahra and Garvis, 2000). Zahra and Covin (1995) stated that CE is positively associated with the financial performance of a company measured by both profitability and growth indicators. A meta-analysis conducted by Bierwerth et al. (2015) also confirmed that CE has positive influences on a company's

performance, and authors such as García et al. (2018) highlighted how CE helps organizations identify opportunities in the market to gain competitive advantages, which in turn increases the performance of the organization. According to Antoncic and Hisrich (2001: 504) "organizations that participate in intra-entrepreneurial activities are expected to achieve higher levels of growth and profitability than organizations that do not". In addition, Gerasymenko et al. (2015) pointed out that CE can renew the capabilities of a company and increase its capacity to acquire and use new skills that improve performance. The entrepreneurial behavior of employees generates entrepreneurial initiatives that can also increase the performance of organizations (Maritz, 2010). Along the same lines, Martín-Rojas et al. (2014) considered that CE can lead to better performance of the company. In view of such arguments on organizational performance, it is considered that:

*Proposition 7.* There is a positive relationship between corporate entrepreneurship and organizational performance.

Non-financial outcomes of CE need to be explored, as these may be as important as financial outcomes (Lumpkin and Dess, 1996, 2005). Along these lines, studies such as that conducted by Clampitt et al. (2000) highlight that some non-financial measures, such as employee retention, may be necessary to achieve positive results for companies. In this line, employee retention is considered a fundamental element in human resources management research (Steel, 2002; Haar and White, 2013), so its analysis is of great importance for both researchers and companies. Several authors (Haar and White, 2013; Steel et al., 2002) have pointed out the importance of retaining valuable personnel at all times, even in times of economic recession, and this may be especially true for entrepreneurial companies (Kemelgor and Meek, 2008). In addition, by analyzing the employee retention variable, we improve our understanding of entrepreneurial cultures and highlight another potential benefit for companies involved in CE (Haar and White, 2013). In the literature, there is evidence that employee turnover is an interesting outcome of CE (Rutherford and Holt, 2007; Steel and Boss, 2009). In fact, these arguments motivated the study by Haar and White (2013) that concluded that CE can have an influence on employee retention. Therefore, we consider the following proposal:

*Proposition 8.* There is a positive relationship between corporate entrepreneurship and employee retention in the company.

## CONCLUSION

There is a lack of theory underpinning the study of the links between corporate entrepreneurship (CE) and entrepreneurial behavior of employees (EBE). The model proposed in this paper provides a necessary theoretical framework for understanding corporate entrepreneurship and entrepreneurial behavior of employees, which integrates antecedents and determinants of the two phenomena. EBE is essential to explain the entrepreneurial activity in the confines of existing organizations. Employees with a strong entrepreneurial intention are more likely to develop an entrepreneurial behavior. This behavior is likely to affect CE (e.g., new products, new services) and also employees' well-being. In addition, the organizational context (management support, work discretion, rewards/reinforcement, resources/time availability, organizational boundaries) is a moderator of the bottom-up relationship between EBE and CE. Organizations should encourage and support EBE to exploit entrepreneurship opportunities because without this support, CE will not happen regardless of the entrepreneurial intensity of employees.

Moreover, the relationship with stakeholders (employees, customers, suppliers, and partners) can also play a decisive role when engaging in entrepreneurial behavior and CE. Although stakeholder relations are important for new business initiatives within existing companies, they have received very little attention from researchers and a deeper analysis is necessary. Regarding the consequences of CE, we propose organizational performance and employee retention as fundamental aspects. Organizational performance is a very well studied and accepted positive outcome of CE, but employee retention needs further analysis. The components of the theoretical model provide a future research agenda for the field.

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